

**ASSEMBLY BILL 600 (LRB -3046)**

An Act to amend 196.20 (4) (d); and to repeal and recreate 196.20 (4) (c) of the statutes; relating to: authority of the Public Service Commission regarding fuel costs of certain electric public utilities and granting rule-making authority.

**2009**

- 11-24. A. Introduced by Representatives **Soletski, Montgomery, Zepnick, Benedict, Bies, Colon, Danou, Davis, Dexter, Fields, Friske, Garthwaite, Gunderson, Hintz, Honadel, Huebsch, Mason, Mursau, A. Ott, Petersen, Rhoades, Shilling, Sinicki, Smith, Staskunas, Steinbrink, Suder, Townsend, Van Roy, Vos, Vruwink and Zigmunt**; cosponsored by Senators **Plale, Kreitlow, Sullivan, Erpenbach, Taylor, Schultz, Olsen, Harsdorf and Darling**.

11-24. A. Read first time and referred to committee on Energy and Utilities ..... 529

**2010**

- 01-05. A. Public hearing held.
- 01-19. A. Executive action taken.
- 01-20. A. Report passage recommended by committee on Energy and Utilities, Ayes 12, Noes 0 ..... 586
- 01-20. A. Referred to committee on Rules ..... 586
- 02-23. A. Placed on calendar 2-25-2010 by committee on Rules ..... 0
- 02-25. A. Read a second time ..... 699
- 02-25. A. Ordered to a third reading ..... 699
- 02-25. A. Rules suspended ..... 699
- 02-25. A. Read a third time and **passed** ..... 699
- 02-25. A. Ordered immediately messaged ..... 699
- 02-26. S. Received from Assembly ..... 599
- 03-01. S. Read first time and referred to committee on Commerce, Utilities, Energy, and Rail ..... 602
- 04-07. S. Public hearing held.
- 04-14. S. Executive action taken.
- 04-14. S. Report concurrence recommended by committee on Commerce, Utilities, Energy, and Rail, Ayes 7, Noes 0 ..... 710
- 04-14. S. Available for scheduling.
- 04-16. S. Placed on calendar 4-20-2010 pursuant to Senate Rule 18(1).
- 04-20. S. Senator Hansen added as a cosponsor.
- 04-20. S. Read a second time.
- 04-20. S. Ordered to a third reading.
- 04-20. S. Rules suspended.
- 04-20. S. Read a third time and **concurred in**.
- 04-20. S. Ordered immediately messaged.
- 04-20. A. Received from Senate concurred in.

2009

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ADOPTED DOCUMENTS:

☒ Orig    ☐ Engr         SubAmdt     

09-3046/11

Amendments to above (if none, write "NONE"):

None

Corrections - show date (if none, write "NONE"):

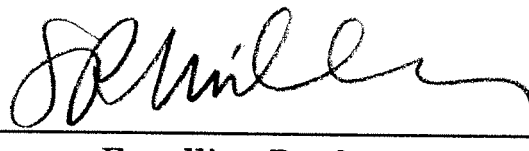
None

Topic

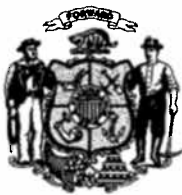
Rel

5-4-10

Date



Enrolling Drafter



## 2009 ASSEMBLY BILL 600

November 24, 2009 - Introduced by Representatives SOLETSKI, MONTGOMERY, ZEPNICK, BENEDICT, BIES, COLON, DANOU, DAVIS, DEXTER, FIELDS, FRISKE, GARTHWAITE, GUNDERSON, HINTZ, HONADEL, HUEBSCH, MASON, MURSAU, A. OTT, PETERSEN, RHOADES, SHILLING, SINICKI, SMITH, STASKUNAS, STEINBRINK, SUDER, TOWNSEND, VAN ROY, VOS, VRUWINK and ZIGMUNT, cosponsored by Senators PLALE, KREITLOW, SULLIVAN, ERPENBACH, TAYLOR, SCHULTZ, OLSEN, HARS DORF and DARLING. Referred to Committee on Energy and Utilities.

1     **AN ACT** *to amend* 196.20 (4) (d); and *to repeal and recreate* 196.20 (4) (c) of  
2     the statutes; **relating to:** authority of the Public Service Commission  
3     regarding fuel costs of certain electric public utilities and granting  
4     rule-making authority.

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### ***Analysis by the Legislative Reference Bureau***

Current law allows the Public Service Commission (PSC) to grant a rate increase to an electric public utility for increases in fuel costs that are of an extraordinary or emergency nature. The PSC may grant the increase after a hearing limited in scope to the question of the increase in fuel costs. For purposes of the foregoing, current law excludes the following from the definition of "electric public utility": 1) a public utility wholly owned and operated by a municipality or cooperative association; 2) a public utility that purchases, under federal or state approved wholesale rates, more than 50 percent of its electric power requirements from entities that are not affiliated interests of the public utility; and 3) a public utility with annual total gross operating revenues of \$2.5 million or more whose electric generation equipment has a total capacity of less than 30 megawatts.

This bill eliminates the PSC's authority described above and allows the PSC, after a hearing, to approve a fuel cost plan for an electric public utility, or, if an electric public utility's actual fuel costs are outside of the utility's fuel cost annual tolerance, as established by the PSC, to commence a proceeding to adjust rates that is outside of a general rate case proceeding for the electric public utility. "Electric utility" is defined to have the same exclusions as under current law. Also, if the PSC approves

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a fuel cost plan for an electric public utility, the bill requires the PSC to defer for subsequent rate recovery or refund any under-collection or over-collection of fuel costs that are outside of the utility's symmetrical fuel cost tolerance, as established by the PSC. Finally, the bill requires the PSC to promulgate a rule to implement the bill's requirements.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**SECTION 1.** 196.20 (4) (c) of the statutes is repealed and recreated to read:

196.20 (4) (c) 1. If an electric public utility has an approved fuel cost plan, the commission shall defer any under-collection or over-collection of fuel costs that are outside of the utility's symmetrical fuel cost annual tolerance, as established by the commission, for subsequent rate recovery or refund.

2. The commission may commence a proceeding to adjust rates for an electric public utility outside of a general rate case proceeding if the utility's actual fuel costs are outside of the utility's fuel cost annual tolerance, as established by the commission.

3. Approval of a fuel cost plan and any rate adjustment for deferred fuel costs or refund of over-collected fuel costs shall be determined by the commission after opportunity for hearing.

**SECTION 2.** 196.20 (4) (d) of the statutes is amended to read:

196.20 (4) (d) The commission shall promulgate a rule to implement this subsection.

**(END)**